ANNUAL REPORT

OF

THE PUBLIC SCHOOLS FINANCE BOARD

Province of Manitoba

For the year ending
December 31, 1983

84- 3369 /

MANITOBA
THE PUBLIC SCHOOLS FINANCE BOARD
Robert Fletcher Building
511 – 1181 Portage Avenue
Winnipeg, Manitoba
R3G 0T3

Honourable Maureen Hemphill
Minister of Education
168 Legislative building
Winnipeg, Manitoba
R3C 0V8

Madam:

I have the honour to submit, herewith, pursuant to section 13 of The Public Schools Finance Board Act, the Annual Report of The Public Schools Finance Board, for the year ending December 31, 1983.

Yours respectfully,

A. A. Frechette
Chairman

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ANNUAL REPORT

1983

The Finance Board held 48 meetings in 1983. Its main activities were:

1. The review of the 1983 financial budgets of 47 school divisions and 7 school districts in order to determine the amount of support to be provided under the Education Support Program.

2. The initial approval of 14 major construction projects at a total estimated support under the Education Support Program of $12,302,490.00.
   In addition, the sketch plans, working drawings and/or tenders for 20 major construction projects were reviewed.

3. Approval of funding for minor capital items, including building improvements, alterations and vocational equipment in the amount of $7,482,726.00.

4. Approval of advances on grants in the total amount of $449,704,310.00.

5. Approval for the purchase of 148 new school buses and authorization for the retirement of 147 used buses.

6. A review of the guidelines for all school building projects and preliminary work in the establishment of priorities for the new Capital Plan.

Membership of the Board for 1983 is as follows:

Mr. A. A. Frechette, Chairman

Mr. R. Gourluck, Vice Chairman

Mrs. S. Loewen

Mr. F. Dann

Mr. H. Finnigan

MAJOR CAPITAL CONSTRUCTION PROJECTS
Initially Approved in 1983

School Division	Project	Estimated Education Support
Winnipeg No. 1	Grant Park High - renovations	$ 200,000.00
	Cecil Rhodes - addition and renovations	$ 1,317,000.00
	Faraday Elementary - addition and renovations	$ 465,000.00
	Robert H. Smith - renovations	$ 440,300.00
Assiniboine South No. 3 Fort Garry No. 5 St. Vital No. 6	South Winnipeg Vocational Centre - new school (Total $8,000,000.00)	$ 4,000,000.00 (Provincial share)
Seven Oaks No. 10	Maples Collegiate - renovations	$ 275,000.00
Lord Selkirk No. 11	Lord Selkirk Regional - addition	$ 135,000.00
Red River No. 17	St. Malo - addition	$ 160,000.00
Portage la Prairie No. 24	North Memorial - addition	$ 635,000.00
Pelly Trail No. 37	Inglis - addition and renovations	$ 293,000.00
	Binscarth - addition and renovations	$ 592,190.00
Birdtail River No. 38	Birtle - new school	$ 1,200,000.00
Frontier No. 48	South Indian Lake - addition and renovations	$ 1,620,000.00
	Grand Rapids - addition	$ 970,000.00
		$12,302,490.00

SUMMARY

SCHOOL DEBENTURES PURCHASED BY THE MINISTER OF FINANCE

DURING 1983

School Division	No.	Date(s)	Amount	Total
St. James Assiniboia	2	January 17	$ 290,000.00	$
		May 15	55,000.00	345,000.00
St. Vital	6	March 31	300,000.00	
		June 13	300,000.00	
		October 14	725,000.00	
		October 14	115,000.00	1,440,000.00
River East	9	March 31	65,000.00	65,000.00
Seven Oaks	10	March 31	100,000.00	
		May 1	35,000.00	135,000.00
Seine River	14	January 17	300,000.00	
		March 31	260,000.00	
		June 13	275,000.00	835,000.00
Hanover	15	January 17	200,000.00	
		March 31	200,000.00	400,000.00
Rhineland	18	January 17	125,000.00	
		May 1	115,000.00	
		September 1	90,000.00	330,000.00

School Division	No.	Date(s)	Amount	Total
Morris Macdonald	19	January 17	$ 150,000.00	$
		March 31	200,000.00	
		May 15	100,000.00	450,000.00
Interlake	21	March 31	100,000.00	
		June 13	300,000.00	400,000.00
Garden Valley	26	January 17	170,000.00	
		March 31	75,000.00	
		June 13	60,000.00	
		October 14	1,150,000.00	1,455,000.00
Pine Creek	30	January 17	250,000.00	250,000.00
Beautiful Plains	31	June 13	60,000.00	60,000.00
Dauphin Ochre Area	1	January 17	300,000.00	
		June 13	135,000.00	435,000.00
Flin Flon	46	January 17	600,000.00	
		May 15	100,000.00	
		September 1	65,000.00	
		October 14	220,000.00	985,000.00
Churchill	2264	January 17	200,000.00	200,000.00

School Division	No.	Date(s)	Amount	Total
Mystery Lake	2355	March 31	$ 725,000.00	$ 725,000.00
Leaf Rapids	2460	January 17	200,000.00	
		March 31	250,000.00	450,000.00
		TOTAL		$8,960,000.00

Summary			
	January	17 -	$ 2,785,000.00
	March	31 -	2,275,000.00
	May	1 -	150,000.00
	May	15 -	255,000.00
	June	13 -	1,130,000.00
	September	1 -	155,000.00
	October	14 -	2,210,000.00
			$ 8,960,000.00

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE PUBLIC SCHOOLS FINANCE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Public Schools Finance Board for the fiscal year ended December 31, 1983. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Amendments to regulations, effective January 1, 1983, mainly account for increased education support. The amendments provided for increases in the provision for basic operating, transportation, special services, vocational industrial, immigrant pupil and print and non-print materials support. These increases are partially offset by a reduction in eligible enrolment.

In our opinion, these financial statements, together with the information provided in the preceding paragraph, present fairly the financial position of the Board as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

W. K. Zipick, C.A.,
Provincial Auditor.

April 25, 1984,
Winnipeg, Manitoba.

Exhibit A

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
as at December 31, 1983
(with 1982 figures for comparison, Note 2(d))

	1983	1982
A S S E T S		
Cash in bank	$ 3,407	$ 260,799
Accounts receivable:		
Government of the Province of Manitoba	7,839,641	6,643,404
Municipal corporations, education support levies	71,259,297	66,836,183
Prepaid expense	398	23,206
	$ 79,102,743	$ 73,763,592
L I A B I L I T I E S		
Accounts payable and accrued charges:		
Education Support	$ 7,989,367	$ 8,764,869
Other	1,352,035	1,539,839
Notes payable on demand, at bank prime -		
Province of Manitoba	67,250,000	61,100,000
	76,591,402	71,404,708
Municipal corporations' education support levies account, Exhibit C	2,511,341	2,358,884
	$ 79,102,743	$ 73,763,592

Exhibit B

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure
for the year ended December 31, 1983
(with 1982 figures for comparison, Note 2(d))

	1983	1982
Revenue:		
Government of the Province of Manitoba, share of the Education Support Program	$ 326,508,035	$ 299,236,798
Municipal corporations, education support levy	178,227,111	167,127,187
	504,735,146	466,363,985
Excess of revenue over expenditure carried forward to municipal corporations' education support levies account, Exhibit C	(152,457)	665,919
	$ 504,582,689	$ 467,029,904
Expenditure:		
Education Support Program:		
Education Support, Note 2(e), Schedule 1	$ 496,828,677	$ 457,259,854
Administrative and other expenses, Schedule 2	7,754,012	9,770,050
	$ 504,582,689	$ 467,029,904

Exhibit C

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Municipal Corporations' Education Support Levies Account for the year ended December 31, 1983

Balance, December 31, 1982	$ 1,885,872
Add:	
Adjustment of previous years' Education Support grants from estimated to actual	473,012
Adjusted balance, December 31, 1982, Exhibit A	2,358,884
Add:	
Excess of revenue over expenditure for the year ended December 31, 1983, Note 2(c), Exhibit B	152,457
Balance, December 31, 1983, Exhibit A	$ 2,511,341

Schedule 1

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Education Support
for the year ended December 31, 1983
(with 1982 figures for comparison, Note 2(d))

	1983	1982
Operating:		
Basic operating	$ 316,170,856	$ 284,174,903
Pupil	8,649,300	8,769,225
Transportation	24,536,354	21,245,242
Special services	32,041,570	25,660,616
Vocational industrial	4,634,500	3,823,679
Immigrant pupils	1,277,022	1,185,111
Print and non-print materials	5,566,140	5,863,905
Extra operating	60,369,750	59,577,636
Mill rate reduction	127,319	1,503,832
Capital:		
Debt servicing, Note 2(a) and Note 3	33,611,196	33,013,806
Other	5,284,740	5,895,318
Buses	3,040,175	5,033,490
Vocational equipment	1,520,255	1,513,091
Total education support program, Exhibit B	$ 496,828,677	$ 457,259,854

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Administrative and Other Expenses
for the year ended December 31, 1983
(with 1982 figures for comparison)

	1983	1982
Board Members:		
Indemnities	$ 59,703	$ 41,506
Travel	5,504	10,769
Sundry	6,208	7,252
	71,415	59,527
Staff:		
Salaries	436,299	412,118
Travel	12,464	8,445
Sundry	5,656	2,875
	454,419	423,438
Office:		
Printing, stationery and supplies	25,160	18,692
Equipment, Note 2(b)	13,334	30,806
Equipment rentals	6,138	5,852
Telephone	12,501	8,830
	57,133	64,180
Professional Services:		
Audit	23,225	19,200
Other	13,618	9,625
	36,843	28,825
Interest Expense, net:		
Interest charges on loans for advances of support, Note 4(a)	7,134,202	9,194,080
Total administrative and other expenses, Exhibit B	$ 7,754,012	$ 9,770,050

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements

December 31, 1983

1. Nature of the Board's Operations:

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April 1967. The objectives of the Board are to facilitate the financing of the education support program for school divisions and to assist boards of school divisions in the economic operation of the school system. The Board is responsible for the administration of the support provided under the education support system.

2. Significant Accounting Policies:

a. The accounts of the Board are maintained on an accrual basis, with the exception of the debt servicing category of education support, which is expensed on a cash basis.

b. Fixed asset purchases for the Board's administrative purposes are expensed in the year of acquisition.

c. Education support requirements are determined in the first instance on the basis of financial budgets of school divisions. The amount of the funding requirements not covered by the Province is charged to the municipal corporations. The excess or deficiency of revenue over expenditure is reflected in the municipal corporations' education support levies account.

d. The education support for 1982 has been adjusted to present the actual figures based on 1982 final statistical reports and audited financial statements of the school divisions. The statement of municipal corporations' education support levies account, Exhibit C, reflects the adjustment.

e. The education support for 1983 is an estimated amount based on 1983 statistical reports and financial budgets submitted by the school divisions. The support is subject to revision following receipt of the 1983 audited financial statements.

3. The capital support portion of the education support program includes payments made to service the debenture debt of the school divisions during the fiscal year. The Board has not, however, assumed the legal liability related to the repayment of such long-term debt.

4. General Comments:

a. The interest charges on loans for advances of support decreased by $2,059,878. This was due primarily to the decrease in interest rates.

b. As at December 31, 1983, the Board has $1,306,278 in outstanding commitments for the purchase of school buses (1982 - $32,861).